

Exhibit 3

OFFICE OF THE UNITED STATES TRUSTEE

SANTA ANA DIVISION

In Re:) Case No. 8:24-bk-12674-TA
)
THE ORIGINAL MOWBRAY'S TREE) Chapter 11
SERVICE, INC.,)
)
Debtor.)

341(a) MEETING

KENNETH MISKEN, Presiding

--oOo--

Friday, January 3, 2025

411 West Fourth Street, Suite 7160
Santa Ana, CA 92701

APPEARANCES:

For the Debtor: ROBERT S. MARTICELLO, ESQ.
Raines, Feldman & Littrell,
LLP
3200 Park Center Drive
Suite 250
Costa Mesa, California 92626
(949) 783-7606

For the United States KENNETH M. MISKEN, ESQ.
Trustee: Office of the United States
Trustee
411 West Fourth Street
Suite 7160
Santa Ana, California 92701
(714) 338-3405

Proceedings recorded by electronic sound recording;
transcript produced by transcription service.

1 APPEARANCES: (cont'd.)

2 For Jamie Rodriguez and
3 Ana Gomez:

BRETT F. BODIE, ESQ.
BLC Law Center
1230 Columbia Street
Suite 1100
San Diego, California 92101
(800) 492-4033

6 For Pamela Metcalf Canelas:

ESTELA O. PINO, ESQ.
Pino & Associates
1520 Eureka Road, Suite 101
Roseville, California 95661
(916) 641-2288

9 For Ronnie Jordan:

KENNETH J. CATANZARITE, ESQ.
Catanzarite Law Corporation
2331 West Lincoln Avenue
Anaheim, California 92801
(714) 520-5544

12 Transcriber:

Briggs Reporting Company, Inc.
9711 Cactus Street
Suite B
Lakeside, California 92040
(310) 410-4151

15

16

17

18

19

20

21

22

23

24

25

iii

I N D E X

WITNESSES:

EXAMINATION

BRIAN WEISS

3

4

24

38

1 SANTA ANA, CALIFORNIA FRIDAY, JANUARY 3, 2025 10:00 AM

2 --oOo--

3 TRUSTEE MISKEN: Okay. Good morning, everyone.

4 We're here today on the continued meeting of creditors of
5 The Original Mowbray's Tree Service, Inc., Case Number 8:24-
6 bk-12674-TA, which was filed in the United States Bankruptcy
7 Court for the Central District of California, Santa Ana
8 Division. My name is Ken Misken and I am the Assistant
9 United States Trustee for Santa Ana.

10 Today's date is January 3rd, 2025, and the meeting
11 started at 10:00 a.m. This meeting will be tape recorded at
12 required by the bankruptcy rules, so I ask everyone to speak
13 clearly when asking or answering questions.

14 Debtor's counsel, could you please make your
15 appearance and please spell your name for the record.

16 MR. MARTICELLO (telephonic): Good morning, Mr.
17 Misken. This is Robert Marticello of Raines, Feldman,
18 Littrell, on behalf of the Debtor. R-O-B-E-R-T, M-A-R-T-I-
19 C-E-L-L-O.

20 TRUSTEE MISKEN: Okay. Thank you.

21 Debtor's representative, please make your
22 appearance and spell your name, also.

23 MR. WEISS (telephonic): Good morning. This is
24 Brian Weiss with Force Ten Partners and the Chief
25 Restructuring Officer. B-R-I-A-N, W-E-I-S-S.

1 TRUSTEE MISKEN: Okay. Thank you.

2 Are there any other parties on the phone that
3 would like to make an appearance?

4 MR. BODIE (telephonic): Yes, Mr. Misken. Brett
5 Bodie on behalf of creditors Jamie Rodriguez and Ana Gomez.

6 TRUSTEE MISKEN: Okay. Before we start with
7 questions, I'll ask you, Mr. Weiss, to take an oath to tell
8 the truth. Please raise your right hand and let me know
9 once you have raised it.
10 I think there's other appearances.

11 TRUSTEE MISKEN: Okay. Then please make your
12 appearance.

13 MS. PINO (telephonic): Hello? Yes. My name is
14 Estella Pino. I'm appearing on behalf of Ms. Metcalf
15 Canelas.

16 TRUSTEE MISKEN: Okay. Thank you. How do you
17 spell your last name, please?

18 MS. PINO: Pino, P, as in Paul, I, as in Isaac, N,
19 as in Nancy, O.

20 TRUSTEE MISKEN: Thank you.

21 MS. PINO: Thank you, sir.

22 TRUSTEE MISKEN: Anyone else on the phone --
23 Yes -- that wants to make an appearance?

24 MR. CATANZARITE (telephonic): Yes, please. Yes,
25 please. Good morning. Ken Catanzarite for Ronnie Jordan.

1 C-A-T-A-N-Z-A-R-I-T-E.

2 TRUSTEE MISKEN: Okay. Anybody else on the phone
3 that wants to make an appearance? Okay. Not hearing any.
4 So, we're going to go back to the oath.

5 Mr. Weiss, please raise your right hand, and let
6 me know once you have raised it.

7 MR. WEISS: I have raised it.

8 BRIAN WEISS - DEBTOR'S REPRESENTATIVE - SWORN

9 THE WITNESS: Yes.

10 TRUSTEE MISKEN: Mr. Marticello, is the voice that
11 you just heard take the oath Mr. Weiss?

12 MR. MARTICELLO: Yes, it is.

13 TRUSTEE MISKEN: Okay. I just have a few
14 questions, Mr. Weiss.

15 EXAMINATION

16 BY TRUSTEE MISKEN:

17 Q On December 20th, 2024, your counsel sent a letter to
18 Ms. Goldenberg, who's a trial attorney with the U.S.
19 Trustee's Office. That letter is titled, "responses to
20 questions of OUST during 11 U.S.C. Section 341(a) meeting of
21 creditors." Are you familiar with that letter?

22 A Yes, I am.

23 Q Have you reviewed that letter?

24 A Yes.

25 Q Is the information provided in that letter your

1 testimony today?

2 A Yes, it is.

3 Q At this time do you need to make any changes to any of
4 those representations in that letter?

5 A No, I do not.

6 Q Okay. That's all the questions I have right now. I'm
7 going to turn it over to the parties on the phone.

8 TRUSTEE MISKEN: Mr. Bodie, did you have any
9 questions?

10 MR. BODIE: I do. Thank you.

11 TRUSTEE MISKEN: Okay. Please proceed.

12 FURTHER EXAMINATION

13 BY MR. BODIE:

14 Q Mr. Weiss, what Mr. Mowbray's -- the Senior's role at
15 Mowbray's? That's better.

16 A You're talking about Richard Mowbray, the --

17 Q He's the owner of the property. (Indiscernible.) What
18 -- go ahead.

19 (Talking over each other.)

20 A I don't believe there is a current role of him.

21 Q Okay. Does he own any shares of the Debtor currently?

22 A Not that I'm aware of.

23 Q Does he get a salary, any annual salary from the
24 Debtor?

25 A No.

1 Q And he did -- was not a senior -- he is the brother of
2 Robin Mowbray, correct?

3 A I don't know if he's the brother of Robin Mowbray.

4 Q And I'm sure --

5 A (Indiscernible) say the father of?

6 Q I'm -- I'm sorry. Who's the father, yes. Meaning,
7 he's the father, correct. Okay. Excuse me. And then what
8 about Ricky Mowbray, Sr., what's his role in Mowbray's?

9 MR. MARTICELLO: I'm sorry. This is Robert
10 Marticello. When you're saying, "Ricky," are you talking
11 about -- so we have Richard Mowbray, who is the CEO of the
12 Debtor. Is that who you're referring to?

13 MR. BODIE: I was originally referring to Richard.
14 He said he had no role there. So I'm calling Richard is the
15 senior, Ricky would be the junior. So first I asked about
16 Richard.

17 MR. MARTICELLO: But -- well, what I'm saying is,
18 Mr. Bodie, we don't refer to them that way. Like I know
19 Richard Mowbray in our minds is the CEO of the Debtor. His
20 father I believe is also Richard Mowbray, and he goes by
21 Rick. So when you were asking about whether someone,
22 Richard Mowbray was paid a salary and had a role, you're
23 talking about Rick Mowbray, Richard Mowbray's father,
24 correct?

25 MR. BODIE: Correct -- or that was what I first

1 asked. So I believe he answered correctly when he
2 (indiscernible) said to those that he does not have a role
3 or a salary, which I meant the senior or father, correct?

4 MR. MARTICELLO: Okay. So now when you're saying
5 Rich, you're referring to Richard Mowbray who's the CEO?

6 MR. BODIE: Correct. I'll add senior or junior to
7 be more clear.

8 BY MR. BODIE:

9 Q So what is the role --

10 MR. MARTICELLO: Okay. Thank you.

11 BY MR. BODIE:

12 Q -- of Richard Mowbray? Yeah. What is the role of
13 Richard Mowbray, Jr., at Mowbray's?

14 A He's the chief executive officer.

15 Q And does he told shares of Mowbray's?

16 A I don't believe he told shares.

17 Q And then does he get an annual salary?

18 A Yes, he does.

19 Q Do you know what that salary is?

20 A Yes, I do. It is \$4,038.72 paid weekly, plus about
21 four -- \$642.14 weekly (indiscernible).

22 Q Okay. Thank you. And the 686 East Mill Street address
23 in San Bernardino, is that Mowbray's primary business office
24 address?

25 A One second. The company operates out of 686 East Mill

1 Street, yeah.

2 Q And does Mowbray's own the real estate there or lease
3 it from someone?

4 A It leases the real property from Mowbray Waterman
5 Properties.

6 Q Okay. And Mowbray Waterman Property, LLC is what
7 you're referring to, not a subsidiary of Mowbray's, correct?

8 A No.

9 Q It's not a subsidiary of Mowbray's?

10 A No.

11 Q And is Robin Mowbray to the best of your knowledge
12 listed on the Mowbray Waterman Properties Statement of
13 Information as the CEO of that entity?

14 A I don't know what her title is in that property. I
15 know she does have an interest in it. It's a non-debtor
16 entity, so I haven't studied the -- the ownership or
17 operations of that business.

18 Q And does -- to the best of your knowledge, does Mowbray
19 Waterman Properties also have its primary business office
20 located at 686 East Mill Street?

21 A I don't know.

22 Q You're not sure? I mean it's listed on the --

23 A No, I -- hold one sec. Hold on a second. I want to
24 say, I didn't say I wasn't sure, I said, "I don't know."

25 Q Understood. So you're -- you don't know whether

1 Mowbray Waterman Properties' address is the same as
2 Mowbray's, the Debtor's, correct?

3 A I don't know. Correct.

4 Q Okay. And is Phoenix Traffic's management a subsidiary
5 of Mowbray?

6 A No.

7 Q Okay. And then do you know if Phoenix Traffic
8 Management also has Richard Mowbray, Jr. as the CEO?

9 A I don't know.

10 Q Okay. (Indiscernible) on schedule B, line 71, the
11 Debtor disclosed a loan of \$2.4 million to Phoenix Traffic
12 Management. Are you familiar with that loan?

13 A (Indiscernible.)

14 MS. PINO: Mr. Bodie, if I could interrupt? This
15 is Estela Pino, Mr. Brodie. You were -- I'm hearing you
16 very faintly. Could you speak up, please?

17 MR. BODIE: Certainly. Can you hear me better
18 now?

19 MS. PINO: Yes. Thank you.

20 BY MR. BODIE:

21 Q I asked, on schedule B, line 71, the Debtor listed a
22 loan of \$2.4 million to Phoenix Traffic Management. Are you
23 familiar with that loan?

24 A The actual amount listed on line -- on line 71 is
25 2,463,400.89. Yes.

1 Q Yes. What was that loan for?

2 A It was advances made by Mowbray's to Phoenix to fund
3 Phoenix's operating expenses when it lost the cash, as well
4 as for rent credited against the loan for equipment leased
5 by the Debtor to Pino.

6 Q Okay. And if it's a separate entity, why did the
7 Debtor provide that loan?

8 A My understanding --

9 MR. MARTICELLO: I mean I'm going to object to
10 extent it's repetitive. You just asked what the loan was
11 for.

12 THE WITNESS: As I previously stated, Phoenix --
13 for funding of Phoenix Traffic Management's operating
14 expenses when it lost the cash to do so, as well as --
15 BY MR. BODIE:

16 Q Sure. Let me -- let me rephrase it. What benefit did
17 the Debtor receive from that loan to make financial
18 worthwhile for the Debtor to make that loan? Was it purely
19 interest or was there some other benefit the Debtor
20 received?

21 A Well, the Debtor did receive benefit because Phoenix
22 provided traffic management services to Mowbray's. That if
23 it wasn't for the Phoenix Traffic Management, it would have
24 to utilize a third party for those services.

25 Q Okay. So did Phoenix do those services at a discount

1 for the Debtor of what they would otherwise pay you think?

2 A No, I didn't say that.

3 Q So what -- I'm sorry. So the benefit was they provided
4 services to the Debtor that they would otherwise have to
5 get. So, I'm not -- and then -- and that was the reason you
6 stated for, they gave them, you know, \$2.4 million? So if
7 the could those services --

8 A That's not -- no, wait. No. I did not -- I did not
9 say that, and please refrain from putting words in my mouth.
10 If you can go back, I can (indiscernible) twice what the
11 purpose of that loan was for, and I just provided what the
12 benefit was. So, yes.

13 Q I'm sorry. I'm not trying to be argumentative, but you
14 said the benefit was they provided services that Mowbray's
15 needed, is that correct?

16 A Yes.

17 Q Could Mowbray's have gotten those services from any
18 other vendor to your knowledge?

19 A Yes, it could have.

20 Q So that's -- do you know the reason why Mowbray's chose
21 to give a loan of \$2.48 million to Phoenix to allow them to
22 provide those services?

23 MR. MARTICELLO: I'm going to object to the extent
24 that Mr. Weiss lacks personal knowledge because he was not
25 involved with the company at the time the loan was made.

1 MR. BODIE: Okay. So the chief restructuring
2 officer lacks knowledge about why the loan was paid.

3 MR. MARTICELLO: You're asking -- you're asking
4 about --

5 BY MR. BODIE:

6 Q Next question --

7 MR. MARTICELLO: You're asking him about -- you're
8 asking him about a loan that was made at a time that he was
9 not the chief restructuring officer. To the extent the
10 purpose of the loan, he answered the question. He's
11 answered it multiple times. It's in the memo that we
12 served, that he's already confirmed on the record.

13 THE WITNESS: I've also stated it twice. If you
14 want me to do it a third time, I will -- I will do so.

15 MR. BODIE: No, no, it's fine. We'll move on.
16 It's still early.

17 BY MR. BODIE:

18 Q There's on schedule B a loan for 3.889 million to
19 Mowbray Waterman Properties, LLC. What was that loan for?

20 MR. MARTICELLO: Again, I'll object to the extent
21 the loan was made at a time that the chief restructuring
22 officer was not the officer of the company, and he lacks
23 personal knowledge, but he can answer to the extent he
24 knows.

25 THE WITNESS: Yeah. My understanding was -- and

1 again, Mr. Marticello stated it was before I was involved
2 with the company, you know, several years before I was
3 involved with the company, but it was to advance money to
4 Mowbray Waterman Properties for them to purchase real
5 property.

6 BY MR. BODIE:

7 Q And have Mowbray Waterman made any payments towards
8 that loan and the debt?

9 A You say has Mowbray Waterman made those payments?

10 Q Made payments on that loan, yes.

11 MR. MARTICELLO: I'm going to object to the extent
12 this is repetitive, because it's already stated in the memo
13 that was served and that Mr. Weiss has confirmed on the
14 record.

15 MR. BODIE: I didn't see an answer about payments.
16 I saw that they gave the loan in the letter. I'm just
17 asking if they made any payments.

18 MR. MARTICELLO: It does -- it does talk about how
19 there's a credit every month for rent.

20 THE WITNESS: If you'll refer to page -- memo,
21 page six, Roman Numeral Number III, that in lieu of paying
22 cash rent, there's a book entry that's made that reduces the
23 -- the loan payments.

24 BY MR. BODIE:

25 Q Okay. Understood. And on schedule B also there's a

1 loan of 10.3 million to Pino Tree Service. What was that
2 loan for?

3 MR. MARTICELLO: Same objection with respect to
4 lack of personal knowledge.

5 You can answer to the extent he know, Mr. Weiss.

6 THE WITNESS: Yeah. My understanding is that it
7 was funds advanced to Pino to fund its operating expenses
8 and the start of its business. So, to fund the business and
9 working capital requirements.

10 BY MR. BODIE:

11 Q Okay. And has the Debtor adopted any procedures to
12 address conflicts of interest in its existing loans to these
13 related entities with regards to these loans?

14 MR. MARTICELLO: I'm sorry, you -- your question
15 got a bit garbled. Conflict of interest as to what?

16 BY MR. BODIE:

17 Q As to --

18 MS. PINO: Mr. Bodie, you're fading again. Please
19 -- please speak more loudly and maybe a little bit slower,
20 because you're asking very good questions and we all want to
21 hear them.

22 BY MR. BODIE:

23 Q Has the Debtor adopted any procedures addressing
24 conflict of interests inherent in its business dealings with
25 these entities with regards to these loans? Meaning, you

1 know, normally you'd have arms' length transactions. Each
2 side's negotiating to look out for their own interests.
3 Here, it sounds like they're, you know, related. Was there
4 any procedure regarding conflicts of interest with regard to
5 these loans?

6 MR. MARTICELLO: I'll just object to the extent
7 that it assumes facts not in evidence and includes the
8 counsel's opinion as to business dealings.

9 But, Mr. Weiss, you can answer.

10 THE WITNESS: So prior to my involvement with the
11 company, I'm not aware of, you know, what procedures were in
12 place to address any conflicts. But based on what we do
13 know, is that there was a loan agreement that memorialized
14 returns of the amounts advanced.

15 And then, also, you know, agreements in place
16 whereby Mowbray's provides administrative services to Pino,
17 and they are at a cost-plus-10-percent basis, which, you
18 know, based on my experience is, you know, within a
19 reasonable -- reasonable range of -- you know, with respect
20 to a markup.

21 BY MR. BODIE:

22 Q Okay. And Pino --

23 MR. MARTICELLO: And I would -- and, Mr. Bodie, if
24 I may. I would just add, in addition, as stated in the memo
25 which Mr. Weiss has confirmed on the record, re-evaluating

1 and evaluating each of the transactions with the affiliates
2 and we have been making adjustments as Mr. Weiss determines
3 are appropriate.

4 MR. BODIE: Okay. Understood. So, if I
5 understood his testimony right -- I'm checking, it was that
6 there was a loan agreement and a cost-plus benefit. That
7 those, as far as I understood, were answers about whether
8 there was any procedures in place regarding conflicts of
9 interest. Are there any procedures now that you know of?

10 MR. MARTICELLO: Other than what I just stated --
11 this is Robert Marticello. And stated in the memo?

12 MR. BODIE: Yeah.

13 THE WITNESS: As a -- I'm not aware of any
14 conflicts of interest, you know, procedures that are in
15 place. But also there's -- not being since my involvement
16 that I'm aware of that would give rise to a conflict that
17 has occurred since my appointment.

18 BY MR. BODIE:

19 Q Okay. And to your knowledge, is Pino Tree Service a
20 vendor of the Debtor?

21 A They are a vendor, yes.

22 Q And is Phoenix Traffic a vendor of the Debtor?

23 A Yes.

24 Q Okay. And is Mowbray Waterman a vendor of the Debtor?

25 A Yes.

1 Q To your knowledge, who negotiates what on behalf of
2 those entities with regards to any dealings that the Debtor
3 has with them?

4 MR. MARTICELLO: Objection as to time and the
5 question's vague. Are you referring to now or historically?

6 MR. BODIE: "Historically" first, and then we can
7 ask now.

8 MR. MARTICELLO: Then I'll object to the extent
9 Mr. Weiss lacks personal knowledge because he wasn't
10 involved at the time, but you may answer to the extent you
11 know.

12 THE WITNESS: Yeah. So prior to my appointment I
13 was not involved. Subsequent to my appointment, you know,
14 myself and the company's management reviewed the
15 transactions with the related parties, any -- subsequent to
16 their -- that are leaving.

17 BY MR. BODIE:

18 Q So currently are you saying that yourself put those --
19 the -- you handled the review, is that correct?

20 A Yeah. Myself in conjunction with the management of the
21 company, yes.

22 Q Okay. And the management of the company, would that
23 include like Robin Mowbray, I assume, and Richard Mowbray,
24 Jr.?

25 A Yes, and Rubin Sanos with the above.

1 Q Understood. Okay. And can you tell me what properties
2 the Debtor leases from Mowbray Waterman?

3 MR. MARTICELLO: I'll object to the extent this is
4 repetitive. It's in the memo that Mr. Weiss has already
5 confirmed on the record.

6 MR. BODIE: Okay. Then let me --

7 BY MR. BODIE:

8 Q That when were the leases for the properties in the
9 memo entered into?

10 MR. MARTICELLO: I'll object to the extent it's
11 repetitive, because it was included in the memo and served
12 with the memo.

13 MR. BODIE: (Indiscernible.)

14 THE WITNESS: So if you look on page five, Roman
15 Numeral Number II, you'll note pre-leasing. You know, the
16 lease commenced January 1, 2024 with respect to what we
17 refer to the "parking yard lease." The rent commenced
18 January 1st, 2024. And then in terms of Visalia lease, it
19 was January 1, 2024.

20 BY MR. BODIE:

21 Q And what was the reason of the physical entity to on
22 those dates?

23 MR. MARTICELLO: I'm going to object to the extent
24 that Mr. Weiss lacks personal knowledge because he was not
25 an officer of the company at the time that the leases were

1 entered into.

2 You can answer to the extent you know.

3 THE WITNESS: Yeah. It was prior to my
4 involvement with the company, so I don't know.

5 BY MR. BODIE:

6 Q To the best of your knowledge, were there rents paid
7 for those properties prior to those leases being entered
8 into?

9 A Let's see. So during the -- I can only get -- talking
10 about properties, so it's -- that's the Mill Street
11 property. The Debtor was not charged rent during the first
12 year with respect to the parking yard leases. The Debtor
13 was not charged rent during the first year with respect to
14 (indiscernible). The Debtor was not charged rent during the
15 first year.

16 Q Okay. And just to confirm. Are the payments under
17 those leases -- again, we can go property by property. Are
18 they actual payments or discounts on loans as you discussed
19 in the previous transaction?

20 MR. MARTICELLO: Are you asking now, Mr. Bodie --
21 are you asking now, are -- is there an actual payment or a
22 credit? Okay.

23 MR. BODIE: Correct.

24 THE WITNESS: Yes. Currently, the first
25 (indiscernible) payments are credits.

1 BY MR. BODIE:

2 Q Okay. They are credits.

3 The next question I had is, the Debtor lists on its
4 schedules a schedule D, a line of credit from PNC Bank in
5 the amount of just over 7,000,000. Are you familiar with
6 that line of credit?

7 A Yes.

8 Q On the proof of claim filed with regards to that, it
9 shows that Mowbray Waterman Property guaranteed that line of
10 credit. Are you familiar with that?

11 A Well, I have not reviewed the proof of claim. I am,
12 again, familiar with the collateral that is prior to that.
13 Mowbray Waterman Property is a guarantor.

14 Q What was the reason that Mowbray Waterman Property was
15 the guarantor to that loan to the Debtor?

16 A That was prior to my involvement with the company, so I
17 don't know.

18 Q Okay. On the motion for use of cash collateral that
19 was filed in this case, there contains a section stating
20 that a large blow to the Debtor's financial condition came
21 in 2023 when the Debtor was underbid for a Southern
22 California Edison vegetation management contract and lost
23 significant revenue. Is that correct?

24 A Yes, it is.

25 Q Can you explain what occurred that led to that lost

1 revenue and losing that contract? I mean in a little more
2 detail than just that it was outbid.

3 A That was prior of my involvement with the company, so I
4 don't have knowledge.

5 Q And when to the best of your knowledge did the Debtor
6 cease doing any services for Southern California Edison?

7 A I don't have the -- I don't have the exact date. But
8 if you'd like, you can follow-up and we'll provide that to
9 you.

10 Q Okay. And do you know who might have that information
11 at Mowbray's?

12 A It was be, you know, Robin Mowbray, Richard Mowbray or
13 Rubin Sanos.

14 Q Okay. Do you know approximately, it doesn't have to be
15 exact, how much revenue was lost as a result of losing that
16 Southern California Edison contract?

17 A I don't know the exact dollars, but it was definitely
18 significant.

19 Q And to your knowledge, did the Debtor bid on 2023 or
20 2024, in those years, any other -- any SCE contracts, or did
21 it stop bidding after it lost that one?

22 A That was before my involvement, so I'd have to refer to
23 the company for that answer.

24 Q Okay. And when you say for that answer for the
25 company, would that be the same people that would have that

1 knowledge that you named to -- in the last question?

2 A Yes.

3 Q Okay. The motion -- also, the cash collateral motion
4 states that Pacific Gas and Electric used its own bankruptcy
5 case to re-negotiate a contract with Mowbray's to a lower
6 price, and that that led to the Debtor terminating that
7 contract. Is that correct, and can you provide any more
8 information that you know of that led to the loss of revenue
9 from that PG&E contract?

10 A Based on (indiscernible), that was the case, but the
11 facts surrounding the loss of the contract was before my
12 engagement, so I'm not familiar with all the facts.

13 Q Okay. I want to turn now -- and this my last new set
14 of questions, to the periodic report and related entities
15 filed by the Debtor, to ECF 224. Are you familiar with
16 that document?

17 A I am, yes. I need to pull it up if there is questions.

18 Q If you can, that'd be great. Just let me know whenever
19 you have it. I have just a few questions about it.

20 A Okay.

21 Q And that states -- you know, it states in there that in
22 fiscal year end of 2023, Pino Tree Service, Inc. had about
23 1.8 million in assets, but by quarter three of 2024, that
24 had jumped to about 19.9 million in assets. Cash on hand
25 jumped by 1,000,000, account receivables jumped by 16.4

1 million. Can you explain what caused that significant rise
2 in Pino's assets?

3 A Yes. What page are you referring to?

4 Q I believe it is on the second or third page. Let me
5 pull it up. It states -- here. Let me grab it. Hold on
6 (indiscernible). On page five of 21.

7 A Okay. I have that up.

8 Q That it shows total assets end of fiscal year 2023, 1.8
9 million. By quarter three 2024, 19.9 million.

10 A Yes.

11 Q Are you aware of what caused that significant rise in
12 assets over that period of time?

13 MR. MARTICELLO: I'm going to object to the extent
14 Mr. Weiss lacks personal knowledge because he's not an
15 officer of Pino Tree Service.

16 But, Mr. Weiss, you can answer to the extent you
17 know.

18 THE WITNESS: Sure. So it was primarily driven by
19 an increase in accounts receivable that went from 769,000
20 and change to almost 17.6 million.

21 BY MR. BODIE:

22 Q And when you say, "accounts receivable," is that due to
23 a contract that Pino, you know, obtained for vegetation
24 management?

25 A Yes.

1 Q And was that with Southern California Edison to your
2 knowledge?

3 A Yes, it is.

4 Q Was that the contract that Mowbray was outbid on?

5 A Yes, it was, amongst other parties, yes.

6 Q Okay.

7 I'm going to object to the -- I'm going to (indiscernible).
8 I'm going to object to the extent that the question is
9 repetitive of the questions asked by Mr. Reid at the last
10 341(a), and Mr. Weiss did address this question.

11 It's not as simple as a contract. It's not as
12 simple as a contract, as I believe was explained at the last
13 341(a), because there's bids for various regions.

14 MR. BODIE: No. No problem. I -- that's all. He
15 already answered all that I had to ask about that. I just
16 had one other question.

17 BY MR. BODIE:

18 Q You mentioned that -- who does he report to? Who does
19 the chief restructuring officer report to at Mowbray's?

20 A That was be to Robin Mowbray.

21 Q "To Robin Mowbray." Okay.

22 MR. BODIE: That's all I have. Thank you, guys.

23 TRUSTEE MISKEN: Okay. Thank you, Mr. Bodie.

24 Ms. Pino, did you have any questions?

25 MS. PINO: I do, but I believe Mr. Catanzarite has

1 some questions. I'll just (indiscernible) him first.

2 TRUSTEE MISKEN: Okay.

3 Mr. Catanzarite?

4 MR. CATANZARITE: Okay, hang -- sure. Hang on. I
5 took off my headset, so I might be clearer. Okay.

6 FURTHER EXAMINATION

7 BY MR. CATANZARITE:

8 Q So I have some questions on Phoenix Traffic Management,
9 Inc. And I have sent an e-mail to mister -- to Robert, Mr.
10 Monticello (phonetic), and I asked some questions. Did he
11 perhaps share that with you, that e-mail?

12 TRUSTEE MISKEN: Not that I'm aware of.

13 THE WITNESS: I don't think I've seen it.

14 MR. CATANZARITE: I'm sorry?

15 TRUSTEE MISKEN: Are you asking the U.S. Trustee's
16 Office?

17 MR. CATANZARITE: No, no. I'm asking -- I'm
18 asking if mister -- I had sent it to Nancy Goldberg, as well
19 as Mr. Monticello.

20 BY MR. CATANZARITE:

21 Q And I simply asked, did -- was the e-mail reviewed that
22 talked about -- asked about Phoenix Traffic control (sic)?

23 A Yeah. I'd have to look back at my e-mail I received.

24 And, unfortunately, I receive a lot of e-mails from Mr.

25 Marticello, so I don't know which specific one you're

1 referring to.

2 Q Okay.

3 A Now we'll have (indiscernible) out here today.

4 Q Well, I see, if I look at docket 170, page 160, and I
5 look at Phoenix Traffic control, and I see it listed as a
6 vendor. I see payments of 2.8 -- two-million-eight-hundred-
7 eighty-three-thousand-five-hundred-and-twenty-six dollars.
8 Am I reading this report correctly, that in the period
9 October '23 through February of '14 (sic), that amount of
10 money was sent to or for the benefit of Phoenix Traffic
11 control?

12 MR. MARTICELLO: I'm sorry, Mr. Catanzarite. I'm
13 not sure what document you're referring to. This is Bobby.

14 MR. CATANZARITE: Sure. Docket 170, page 160.

15 MR. MARTICELLO: That's --

16 MR. CATANZARITE: It's a 166-page document.

17 MS. PINO: This is Estela Pino. What's the title
18 of the document, Mr. Catanzarite?

19 MR. CATANZARITE: What page? Docket 170 --

20 MS. PINO: No. What is the title of the docket?
21 I have documents listed as -- it's by name, not my docket
22 number.

23 MR. CATANZARITE: It's the schedules, Ms. Pino.
24 It's the bankruptcy schedules.

25 MS. PINO: Okay.

1 MR. CATANZARITE: Yes.

2 MS. PINO: Okay. Thank you.

3 MR. MARTICELLO: Hold on. Mr. Catanzarite, I'm --
4 I have a paper copy and I'm turning to the page.

5 MR. CATANZARITE: Okay.

6 MR. MARTICELLO: Okay. We've -- I've got that
7 page up. Just turn to page 160, 1-6-0?

8 MR. CATANZARITE: Yes, 1-6-0.

9 BY MR. CATANZARITE:

10 Q So my question, you -- so Mr. Brodie asked whether or
11 not Phoenix Traffic control was a vendor. You described
12 services that Phoenix Traffic control was providing,
13 meaning, traffic control for projects that Mowbray's Tree
14 Service was on. Does Mowbray's Tree Service then bill for
15 the subcontract services of Phoenix Traffic control? Does
16 it bill the end user on the contract, prime contract?

17 A For those services, yes, that it provides, that it
18 subcontracts from Phoenix Traffic Management, my
19 understanding is, yes, it does.

20 Q Well, you're aware Phoenix Traffic Management -- well,
21 strike that.

22 Are you aware that Phoenix Traffic Management is itself
23 a licensed contractor?

24 A Yes.

25 Q Okay. Are you aware of how much revenue Phoenix

1 Traffic Management, Inc. derives from its licensed
2 contracting activities other than from that associated with
3 Mowbray's Tree Service?

4 A No, I'm not.

5 Q I think Mr. Sano's prepared financial statements -- I
6 know he prepared financial statements for Pino Tree Service.
7 I also note from the Secretary of State website that Mr.
8 Sano is also the CFO of Phoenix Traffic Management. Are you
9 aware of that?

10 A I reviewed the corporate documents for that entity.

11 Q From --

12 A (Indiscernible) --

13 Q In other words, does Mr. Sanos report to you?

14 A Yes, he does.

15 Q Okay. So, since he's reporting --

16 A With reporting --

17 Q -- to you, have you ever -- I'm sorry. I didn't hear
18 that.

19 A With report -- with respect to the Debtor entity.

20 Q So he's a CFO of Phoenix Traffic Management. He
21 reports to you only with respect to Mowbray's Tree Service?
22 He doesn't talk to you about Phoenix Traffic Management?

23 A No.

24 Q And so you don't know, even though he's a CFO -- is he
25 a CFO under a separate, independent contract then with

1 Phoenix Traffic Management?

2 A I don't -- I don't -- not that I'm aware of.

3 Q CFO is a licensed employee, is a -- strike that.

4 A CFO is an individual who is employed as an employee
5 of a company, such as Phoenix Traffic Management, right?

6 A We --

7 MR. MARTICELLO: I would object to the extent the
8 question was vague and difficult to understand.

9 THE WITNESS: So, Mr. Sanos is --

10 BY MR. CATANZARITE:

11 Q Well, you tell me. You tell me then -- Mr. Weiss, you
12 tell me, what is your understanding --

13 A I'm -- first I'm going to answer your question, okay,
14 so let me finish. Mr. Sanos is the CFO of Mowbray's Tree
15 Services. Mowbray's Tree Services, you know, it is the
16 Debtor, and he reports to me with respect to debtor
17 activities.

18 Q Have you completed your answer?

19 A Yes.

20 Q Okay. He's also the CFO of Phoenix Traffic Management.
21 What's his role with that company then?

22 MR. MARTICELLO: I'm going to object to the extent
23 the question is repetitive. I believe it was asked and
24 answered.

25 THE WITNESS: You had stated that pursuant to the

1 Secretary of State website that he is the chief financial
2 officer for Phoenix Traffic Management. So, with respect to
3 what services he provides to them is pursuant to a
4 management agreement. However, as it relates to the day-to-
5 day operations of Phoenix Traffic Management, I'm not aware,
6 you know, the services that he provides to them on a
7 detailed basis.

8 BY MR. CATANZARITE:

9 Q Well, pursuant to the management agreement for Phoenix
10 Traffic Management, Inc., does Mr. Sanos or your firm
11 provide financial statement reporting?

12 A My firm, no. Mr. Sanos, possibly.

13 Q Okay. Same question with respect to Pino Tree Service.
14 Mr. Sanos is listed as the CFO of Pino Tree Service. Again,
15 does he provide financial statements for Phoenix -- for Pino
16 Tree Service?

17 A Yes, he does.

18 Q Okay. And those you've reviewed --

19 A And to be clear -- and let me just clarify something.
20 And to be clear, the reason I know what he does for Pino, as
21 opposed to Phoenix Traffic Management on a detailed basis,
22 is that Pino's a wholly owned subsidiary of the Debtor, and
23 Phoenix Traffic Management isn't.

24 Q He's also CFO of Mowbray Waterman Properties, correct?

25 MR. MARTICELLO: I'm going to object to the extent

1 that Mr. Weiss lacks personal knowledge to answer that
2 question, as he's not an officer of Mowbray Waterman
3 Properties.

4 THE WITNESS: As I mentioned in a prior question,
5 I don't have any capability in the infrastructure of Mowbray
6 Waterman Properties. It's a non-debtor entity.

7 BY MR. CATANZARITE:

8 Q Mowbray Waterman Properties is a non-debtor of have no
9 knowledge of, is that correct?

10 A Correct.

11 Q Now, is the same answer -- and answer is, who is the
12 owner of -- we know that Robin Mowbray is the owner of
13 Mowbray Waterman Property. We know that Pino Tree Service
14 is owed by Mowbray -- Pino Tree Service is owned by -- by
15 the Debtor. Who owns the stock of Phoenix Traffic
16 Management, Inc.?

17 MR. MARTICELLO: I'm going to object to the extent
18 that I'm not sure we all know exactly what Mr. Catanzarite
19 is saying. I'm also going to object to the extent that Mr.
20 Weiss lacks personal knowledge to answer questions about a
21 non-debtor entity.

22 You can answer to the extent you know.

23 THE WITNESS: Yeah. I don't know.

24 BY MR. CATANZARITE:

25 Q Are you a curious individual, Mr. Weiss?

1 TRUSTEE MISKEN: All right. This is Ken Misken,
2 U.S. Trustee. Please ask appropriate questions relating to
3 the schedules and statement of financial affairs. And
4 please don't have any personal attacks.

5 MR. CATANZARITE: That's not a personal attack.

6 TRUSTEE MISKEN: It sounds like it. So, please
7 move on.

8 BY MR. CATANZARITE:

9 Q Mr. Weiss -- Mr. Weiss, whether or not you have --

10 TRUSTEE MISKEN: I'm giving you a lot of leeway
11 here. So, you know -- this is Ken Misken, the Assistant
12 U.S. Trustee. Please let me talk.

13 I'm letting you ask a lot of questions about non-
14 debtor entities and giving you a lot of leeway. You know,
15 we did have a two-and-a-half hour 341 meeting a couple weeks
16 ago. So, you know, please ask your questions and let's move
17 on.

18 BY MR. CATANZARITE:

19 Q Are any of the officers of Mowbray's Tree Service also
20 officers of Pino Tree Service?

21 A Yes.

22 Q Do they receive separate salaries? Does Robin Mowbray
23 receive a separate salary from Pino Tree Service?

24 A No.

25 Q Does Rick Mowbray receive a separate salary from Pino

1 Tree Service?

2 A No.

3 Q With respect to Phoenix Traffic Management, Inc., does
4 Robin Mowbray receive a salary from Phoenix Traffic
5 Management?

6 A With respect to Phoenix Traffic Management, I do not
7 have any visibility into the books and records, so I can't
8 answer that.

9 Q How about Rick Mowbray, who is listed as the CEO of
10 Phoenix Traffic Management. As CEO of Mowbray's Tree
11 Service, does he also receive a salary from Phoenix Traffic
12 Management?

13 A It's the same answer I just gave you with respect to
14 Robin Mowbray. If your next question is with respect to
15 Rubin, it would be the same answer I gave you previously
16 with respect to Robin.

17 Q Has Phoenix Traffic Management, Inc. signed or
18 guaranteed the PNT -- PNC loan?

19 A I don't -- I don't recall.

20 MR. MARTICELLO: This is Robert Marticello. Not
21 to my knowledge.

22 BY MR. CATANZARITE:

23 Q Can you tell me where the business office of Phoenix
24 Traffic Management is?

25 MR. MARTICELLO: I'll object to the extent that

1 Mr. Weiss lacks personal knowledge with respect to a non-
2 debtor entity that he's not an officer of.

3 THE WITNESS: Yeah. I don't know.

4 BY MR. CATANZARITE:

5 Q Okay. Mowbray Waterman Properties has a lease with the
6 County of San Bernardino. Are you aware of that?

7 MR. MARTICELLO: I'm going to object to the extent
8 it's repetitive, as it's stated in the memo that we served
9 and Mr. Weiss confirmed on the record.

10 MR. CATANZARITE: Well, okay. Tell me what the
11 lease rate is today then.

12 MR. MARTICELLO: It's also stated in the memo.
13 I'll object again on the basis that the question is
14 repetitive, asking questions that were answered in a memo
15 that Mr. Weiss has already confirmed on the record.

16 TRUSTEE MISKEN: Well, this is Ken Miskin. Mr.
17 Weiss, can you just point to the memo where it's listed?
18 Maybe that -- we could just kind of move this along.

19 THE WITNESS: It's in the details with respect to
20 the Mowbray Waterman Properties leases on page five. And
21 then also beginning on page four under subsection B.

22 MR. MARTICELLO: And on page eight, Mr. Miskin it
23 says that, "the county continues to occupy the premiss on a
24 month-to-month basis at the rate of 35,124 per month."

25 MR. CATANZARITE: Okay. Thank you for that.

1 BY MR. CATANZARITE:

2 Q So, if you tell me -- if the county lease rate in the
3 lease that ended on -- in 2022, some two years ago, had a
4 rate of 35,124 a month, can you tell me why the rate hasn't
5 increased since that time?

6 MR. MARTICELLO: I'm going to object. I'm going
7 to object to the extent that Mr. Catanzarite is asking a
8 question about the operations of a non-debtor entity that
9 Mr. Weiss is not a officer of.

10 Mr. Weiss, you can answer the question to the
11 extent you know.

12 THE WITNESS: I don't know. I'm not an officer of
13 that entity.

14 BY MR. CATANZARITE:

15 Q Okay. The -- looking at -- returning to docket 170 of
16 the schedules, page 160 and 161. There is a -- for Pino
17 Tree Service, there's a reference for payments,
18 subcontracting payments ranging between October 26, 2023 and
19 June 11, 2024, in the total amount of \$12,164,256. When the
20 payments are "subcontractor payments," is that pursuant to a
21 separate written contract or -- in other words, where
22 Mowbray's Tree Service is using Pino to fulfill a prime
23 contract that MTS has, is that -- Mowbray Tree Service has,
24 is that what's going on?

25 A Yeah. I don't know. I mean, those transactions were

1 in 2023, prior to my involvement, but I don't have any
2 knowledge.

3 Q Okay. These -- there's -- in the time period October
4 26 through December 21, 2023, the payments are listed as
5 subcontractor payments to Pino Tree Service. Then beginning
6 December 26, 2023, they're all -- all of the payments are
7 then described as "loan to Pino Tree Service." Do you know
8 -- I mean, do you know the reason that there was that change
9 and whether or not there are any further subcontractor
10 payments following June of 2024 to Pino Tree Service?

11 A So, I don't know why they're -- there was that change.
12 That, you know, prior to June 2024, I'm not aware of the
13 purpose.

14 Q And I had a question -- I had asked some questions
15 during the first session. I asked about employee retention
16 credits and whether or not these employee retention credits
17 have been applied for. And, if so, for what periods, and
18 what had happened, if anything, with respect to such
19 payments. Can you tell me whether or not anyone looked into
20 that question, and can you update us on whether or not there
21 was any ERC credits due to Mowbray's Tree Service?

22 A Yeah. So we haven't applied for those. It's kind of,
23 you know, on a list to investigate.

24 Q So, with respect to the ERC credits, as are commonly
25 referred to, it's your -- you're telling us, nobody applied

1 for any credit in '20 or '21?

2 A No --

3 MR. MARTICELLO: Object to the extent it's been
4 testified -- he asked -- he answered the question.

5 But go ahead, Mr. Weiss.

6 THE WITNESS: Yeah, not that I'm aware of.

7 BY MR. CATANZARITE:

8 Q Do you know who on behalf of Mowbray's Tree Service
9 would have been charged with responsibility to investigate
10 or determine whether or not ERC credits were available to
11 Mowbray's Tree Service?

12 A I could only speculate. Again, this is back in 2021 --
13 '20 and '21 time period, you know, way before my
14 involvement. And I know there was -- you know, the current
15 CFO was not employed with Mowbray's at that time, so.

16 MR. MARTICELLO: And, Mr. Catanzarite, if you're
17 asking for us to look into it now, whether the Debtor is
18 entitled to employee retention credits, we're happy to look
19 into that.

20 MR. CATANZARITE: I'd appreciate that.

21 BY MR. CATANZARITE:

22 Q And the question would be, if Mowbray's Tree Service is
23 now foreclosed from any quarters of 2020 from applying for
24 those credits, to the extent they're available, what
25 investigation will there be with respect to the

1 professionals responsibility for the failure to have
2 submitted the credits?

3 MR. MARTICELLO: This is Robert Marticello. I
4 don't know if you're waiting for a response from us. I --
5 we'll looking into whether the Debtor is entitled to
6 credits.

7 TRUSTEE MISKEN: Yeah. And this is Ken Misken,
8 Assistant U.S. Trustee. That sounds like a hypothetical
9 question. I don't know if he could answer it.

10 MR. CATANZARITE: Yeah, he may not be able to. I
11 had -- normally it would be the outside accountants.
12 There's an auditor involved in this company. But let me ask
13 a question.

14 BY MR. CATANZARITE:

15 Q Are you -- are you aware of who the auditing firm was
16 that prepared audited reports of any kind or review reports,
17 or even compilation reports, the outside accountants for
18 Mowbray's Tree Service. Do you know who those folks are and
19 would you provide us with a summary of who was -- who was
20 responsible for that, those duties beginning in 2020
21 forward?

22 A Yeah, we can provide that to you. And with respect to
23 who the accountants were, I'm almost positive -- I need to
24 make sure there wasn't a change (indiscernible). It'd be
25 E.E.S., independent accountants that issued review reports.

1 And I believe they do the cash work, also, is Soren McAdam.

2 Q Okay. Thank you for that.

3 MR. CATANZARITE: I don't -- thank you for your
4 time, Mr. Weiss. I don't have any further questions.

5 TRUSTEE MISKEN: Okay. Thank you, sir.

6 Ms. Pino, do you have any questions?

7 MS. PINO: I do. I have a few questions. Thank
8 you.

9 FURTHER EXAMINATION

10 BY MS. PINO:

11 Q Mr. Weiss, how long have you been the chief
12 restructuring officer of the Debtor?

13 A Mid-August of 2024.

14 Q And as chief restructuring officer, who do you report
15 to?

16 A I think I answered that a few minutes ago. I report to
17 the board of directors or director, which is Robin Mowbray.

18 Q Anyone else?

19 A Maybe some -- no. But, you know, when it comes to the
20 restructuring efforts, I'm basically, you know, running the
21 restructuring process.

22 Q And in running the restructuring process, you're
23 responsible for collecting the amounts owed to the Debtor by
24 Mowbray Waterman, correct?

25 A That is correct.

1 Q And the amount of the scheduled debt is \$3,000,889, 126
2 cents -- and \$126.32, and some of that is not reduced to any
3 type of promissory note, correct?

4 A You're referring to Phoenix Traffic Management?

5 MR. MARTICELLO: No, I think she said Waterman.

6 BY MS. PINO:

7 Q No. Mowbray Waterman Properties, LLC.

8 MR. MARTICELLO: And I'll object, just to the
9 extent this is covered in the memo.

10 But, Mr. Weiss, you can answer to the extent you
11 know.

12 MS. PINO: Are there -- I just laid the
13 foundation --

14 THE WITNESS: Sorry.

15 MS. PINO: -- for the question, that he's
16 responsible for collecting that, correct?

17 MR. MARTICELLO: The question was about if there's
18 a loan agreement for the Waterman loan, and that's
19 specifically is addressed in the memo. So I'm objecting to
20 the extent that this is already covered in the memo that Mr.
21 Weiss confirmed on the record. But he can answer to the
22 extent -- I'm not saying he couldn't answer.

23 THE WITNESS: Could you please ask that question
24 one more time?

25 //

1 BY MS. PINO:

2 Q You are responsible for collecting the loan or the
3 amounts owed to the Debtor from Mowbray Waterman Properties,
4 LLC, correct?

5 A Yes.

6 Q And as part of your responsibilities to date, did you
7 take a note then to undertake an investigation as to the
8 ownership of Mowbray Waterman Property, LLC?

9 A We have not investigated who owns the (indiscernible)
10 Waterman property.

11 Q Have you investigated the authority of Mowbray Waterman
12 Properties to pay that loan to the Debtor?

13 A Yeah, we already evaluated it.

14 Q What have you done to date to evaluate the ability of
15 Mowbray Waterman Properties, LLC to pay the Debtor?

16 A So we evaluated their kind of -- based on, you know,
17 financial statements provided to us recently, the ability to
18 re-pay the loan. And we're looking at having the
19 (indiscernible) prepare tax flow projections so we can see
20 what a reasonable amortization (indiscernible) for a loan in
21 order -- that's going to pay down that balance based on the
22 cash flows it has.

23 Q And who provided you these financial statements that
24 you were recently provided?

25 A That would have been Rubin Sanos.

1 Q And did those financial statements reflect that -- all
2 the ownership of Mowbray Waterman Properties, LLC?

3 A No, they did not. The financial statements are -- it's
4 not part of the financial information. It doesn't, you
5 know, it doesn't list on the face of them the ownership
6 interest.

7 Q Do you recall if those financial statements have a
8 positive equity balance?

9 A Let me -- give me a second. I can see it. I can
10 verify. I can pull them up. No, I don't have those
11 financial statements on my -- on my network right now.

12 Q Have you discussed those financial statements with
13 anyone?

14 A I discussed with Mr. Sanos with respect -- he's trying
15 to -- trying to structure arrangement to get the note re-pay
16 date from the cash flows of -- of Mowbray Waterman
17 Properties, but, you know, we're still in process of
18 analyzing the data.

19 Q Were other financial statements provided to you?

20 A I mean, I don't have them on my hard drive -- on my
21 computer as I sit here today. If you want to follow-up with
22 an e-mail, I can provide you with that information.

23 Q Actually, if I can request a copy of the financial
24 statements.

25 MR. MARTICELLO: You know, this is Robert

1 Marticello. And this relates to Mr. Catanzarite's request
2 as well. Waterman has its own counsel. I'm discussing the
3 request we've received for financial statements for Waterman
4 with counsel, and I'm happy to circle back with you on that
5 after the 341(a).

6 MS. PINO: Who's Waterman's counsel?

7 MR. MARTICELLO: Roye Zur of Elkins Kalt.

8 MS. PINO: Can you e-mail me that name and the
9 firm name (indiscernible)?

10 MR. MARTICELLO: Sure. Yes, we'll do that.

11 MS. PINO: Thank you. That way I have correct
12 spellings and all that.

13 BY MS. PINO:

14 Q So Mr. Sanos provided the financial statements for
15 Mowbray Waterman Properties, LLC. Do you know where Mr.
16 Sanos reports to work, Mr. Weiss?

17 A Yes, I do. With respect to Mowbray's Tree Service?

18 Q Okay. That's a start. Where does he report to work?

19 A You want the address? The address is 686 East Mills
20 Drive, San Bernardino, California.

21 Q Do you know where he reports to work for Mulberry's
22 (phonetic) Waterman Properties, LLC?

23 A Quick clarification. It's Mowbray, not Mulberry's.

24 Q Sorry. English is my second language. I apologize.

25 A Better than my -- it's my first, but yours is better

1 than mine, so. I don't know. I would expect it would be --
2 because there's a management agreement between some
3 entities, it would probably be the 686 East Mill Drive
4 address.

5 Q And do you know if the books and records of the Debtor
6 are kept digitally?

7 A Yes, they are.

8 Q And are the books and records of Mowbray Waterman
9 Properties, LLC kept digitally?

10 A I don't know.

11 Q Do you know if they're kept on the same hardware?

12 A I don't know.

13 Q Is Mr. Sanos part of the management of the Debtor?

14 A Yes.

15 Q Now Phoenix Traffic owes \$2,463,489 to the Debtor at
16 the time the petition was filed. Is it your responsibility
17 as the chief restructuring officer to collect that loan from
18 Phoenix Traffic?

19 A Yes, it is.

20 Q As part of your responsibility have you undertaken any
21 examination of the ownership -- or investigation to
22 determine the ownership of Phoenix Traffic?

23 A On the ownership, no.

24 Q Have you taken any steps to ascertain the financial
25 condition of Phoenix Traffic?

1 A Yes.

2 Q And what are those steps? Please describe them.

3 A Sure. We've analyzed the financial statements, the
4 most recent financial statements of Phoenix Traffic
5 Management that were provided by Mr. Sanos. And based on
6 that we're developing a plan, including the documentation of
7 a re-payment schedule, to get that loan re-paid based on
8 cash flows generated by that entity.

9 MR. MARTICELLO: And this is Robert Marticello.
10 And that is discussed at page seven of the -- six and seven
11 of the memo.

12 BY MS. PINO:

13 Q And when were those financial statements provided?

14 A We -- let me see if I have them. I believe they were
15 around December 16th, 2024.

16 Q And those were internally prepared?

17 A Internally prepared by (indiscernible), I believe so,
18 as a first, you know, audited financial.

19 Q Have you received any proper financial statements
20 relating to Phoenix?

21 A No.

22 Q Have you received any audited financial statements
23 relating to Phoenix?

24 A No.

25 Q Have you received any reviewed financial statements

1 relating to Phoenix?

2 A No.

3 Q So the only financial statements you have from --
4 relating to Phoenix were internally prepared by Phoenix? I
5 just want to make sure I understand.

6 A Is that a question or a statement?

7 Q It's a question.

8 A The only -- yeah. The only financial that I've -- the
9 only financials I've received for Phoenix are internally
10 prepared financial statements.

11 Q And to your knowledge, they were prepared by Mr. Sorno
12 (phonetic), who is a member of the management of the Debtor,
13 is that correct?

14 A Yes.

15 Q With regards to Waterman -- Mulberry (phonetic)
16 Waterman Properties, LLC, do you -- have you received any
17 compiled financial statements to that entity?

18 A No, I have not received any compiled reviews or audited
19 financial statements, only internally prepared financial
20 statements.

21 Q Prepared by Mr. Sanos, who is also a member of the
22 management of the Debtor, correct?

23 A Yes.

24 Q And, I'm sorry. I think Mr. Catanzarite asked about
25 financial statements for the Debtor, and I'm not sure that I

1 understood the questions or answers. So if repeat, please,
2 I apologize in advance. But do you know if the Debtor has
3 had any compiled financial statements prepared in the last
4 four years?

5 A I don't believe so. I believe the financial statements
6 that have been prepared by a third-party accounting firm are
7 for the years of -- that I have, 2019 to 2022, and they're
8 reviewed financial statements by the firm of Soren McAdams.

9 Q Would it be possible to obtain copies of those?

10 A I would defer to counsel to answer that question.

11 MR. MARTICELLO: What was the -- I'm sorry. What
12 was the request?

13 THE WITNESS: For the (indiscernible) 2022, Ms.
14 Soren McAdam --

15 MS. PINO: For the -- the reviewed financial
16 statements for 2019 through 2022 inclusive.

17 MR. MARTICELLO: I'm going to discuss with the --
18 with Mr. Weiss after the 341(a), and I'll circle back with
19 you on that. I mean, my thinking is I don't have an issue
20 with it and -- but I do want to review what we're providing
21 before we provide it.

22 BY MS. PINO:

23 Q Sitting here today, Mr. Weiss, do you have any
24 understanding why the loan from the Debtor to Phoenix
25 Traffic Management was not documented by a note?

1 A I don't know.

2 Q Have you ever asked?

3 A They just didn't document it, yeah.

4 Q And sitting here today, do you know why a portion of
5 the loan from -- from the Debtor to Mulberries (phonetic)
6 Waterman Properties, LLC was not documented?

7 A No.

8 Q Have you asked?

9 A Yes. They hadn't documented it. That was it.

10 Q And who did you ask?

11 A It would have been Rubin Sanos.

12 Q And who in management of the Debtor would have been
13 responsible for documenting that loan?

14 MR. MARTICELLO: I'll object to the extent that
15 Mr. Weiss lacks personal knowledge because these
16 transactions happened before he was an officer of the
17 company.

18 But you can ask -- answer to the extent you know.

19 THE WITNESS: It would have been management
20 directing its, you know, probably legal counsel to draft
21 those documents.

22 MS. PINO: I have no further questions. And I
23 just want to make sure that my requests for documents is --
24 I'd like the financial statements provided by Waterman
25 Mowbray Properties, LLC. For the Phoenix Traffic and the

1 reviewed financial statements for the Debtor which were
2 referenced by Mr. Weiss, which I believe, for 2019, 2020,
3 '21 and 2022.

4 And I also need the names and -- of the attorney
5 and the firm for Waterman -- Mowbray Waterman Property, LLC.

6 TRUSTEE MISKEN: Okay. Is there anybody else on
7 the phone that has not asked any questions yet that would
8 like to ask questions?

9 MR. BODIE: Mr. Misken, this is Attorney Brett
10 Bodie. I would (indiscernible) --

11 TRUSTEE MISKEN: I will get back to you in a
12 second.

13 MR. BODIE: -- (indiscernible).

14 TRUSTEE MISKEN: I'll get back to you. I was just
15 asking if there's anybody who has not asked questions that
16 wants to ask questions.

17 Okay. Not hearing any, Mr. Bodie, do you have any
18 -- I'll give you five minutes to ask any follow-up
19 questions.

20 MR. BODIE: Thank you. I just have one follow-up
21 question.

22 TRUSTEE MISKEN: Okay.

23 BY MR. BODIE:

24 Q Does Mowbray Waterman Property, LLC own any property
25 that you know of that was not purchased by the Debtor or --

1 and/or Richard or Robin Mowbray?

2 MR. MARTICELLO: Well, I'll object to the extent
3 it's repetitive of information contained in the memo.

4 But, Mr. Weiss, you can answer to the extent you
5 know.

6 THE WITNESS: Yes. If I understand your question
7 in -- whether or not Mowbray's purchased Waterman's
8 property, right?

9 BY MR. BODIE:

10 Q Well, I'm asking, does Mowbray Waterman own any
11 properties not purchased by the Debtor? Like, in other
12 words, are there other -- any other investors that, you
13 know, put money into properties of Mowbray Waterman or is it
14 all from the Debtor?

15 MR. MARTICELLO: Vague, like multiple questions
16 and --

17 THE WITNESS: Yeah.

18 MR. MARTICELLO: -- it's a little vague and
19 compound. And same objection with respect to -- to the
20 extent it's already answered in the memo we provided.

21 THE WITNESS: Yeah. I'm having a hard time
22 understanding the question, because you're saying that it's
23 -- something about tying the Mowbray (indiscernible) --

24 BY MR. BODIE:

25 Q Does Mowbray -- does Mowbray Waterman Property own any

1 real estate that were not purchased by the Debtor?

2 MR. MARTICELLO: Same objection.

3 THE WITNESS: It -- I don't understand your
4 question, because you're saying, does Mowbray Waterman own
5 any property that wasn't purchased by the Debtor. They both
6 can't own the property.

7 TRUSTEE MISKEN: So let -- maybe ask it this way.

8 THE WITNESS: (Indiscernible) they both don't own
9 it.

10 BY TRUSTEE MISKEN:

11 Q What properties does Mowbray Waterman Property own?

12 A So, if we want to turn back to the memo that we
13 provided, they are listed on the -- on page five and Roman
14 Numeral II. I think we've already gone through this.

15 Q And there's no other properties that Mowbray Waterman
16 Property owns, correct?

17 MR. MARTICELLO: I'll -- well, go ahead.

18 THE WITNESS: Yeah. Not that I'm aware, but
19 again, I'm not -- I'm not an officer or director or have,
20 you know, first-hand knowledge of the affairs of Mowbray
21 Waterman Property.

22 BY MR. BODIE:

23 Q You're -- what I was asking is, are you aware of any
24 investors in those purchases other than Mowbray, the Debtor?

25 MR. MARTICELLO: Same objection. Assumes facts

1 not in evidence. And objection with respect to -- to the
2 extent that Mr. Weiss lacks personal knowledge about these
3 transactions.

4 THE WITNESS: Yeah. I don't have personal
5 knowledge.

6 BY MR. BODIE:

7 Q So you're saying you don't know?

8 MR. MARTICELLO: Asked and answered. Same
9 objection.

10 MR. BODIE: Okay. Thank you.

11 TRUSTEE MISKEN: Was that all, Mr. Bodie?

12 MR. BODIE: That's all I have.

13 TRUSTEE MISKEN: Okay. Thank you.

14 Mr. Canzarite (phonetic), do you have any follow-
15 up questions?

16 MR. CATANZARITE: I do not, other than to ask Mr.
17 Monticello (phonetic) if he would be kind enough to send me
18 the same documents he's sending to any of the other
19 attorneys who've requested documentation from the first and
20 second -- this second session 341(a).

21 TRUSTEE MISKEN: Yeah. I would just ask Mr.
22 Marticello if you could just send it to everybody who you
23 sent the letter to, whoever was on that, I'd appreciate it.

24 MR. MARTICELLO: Yeah. I mean, to the extent I
25 provide information in response to those requests, I will --

1 I will --

2 TRUSTEE MISKEN: Yeah.

3 MR. MARTICELLO: -- send it to everyone on that e-
4 mail.

5 TRUSTEE MISKEN: Appreciate that.

6 Ms. Pino, did you have any follow-up questions?

7 MS. PINO: I did. Thank you very much, sir.

8 TRUSTEE MISKEN: You have the floor.

9 BY MS. PINO:

10 Q Mr. Weiss, this is kind of a different take on the
11 questions asked by Mr. Brodie. Have you determined whether
12 Mowbray Waterman Properties, LLC has any creditors other
13 than the Debtor?

14 A Again, I'm not privy to the detailed financial
15 information, do I don't know.

16 MR. MARTICELLO: I mean, Mr. Catanzarite --

17 BY MS. PINO:

18 Q I thought you had them provide it? I thought you had
19 them provide it --

20 A Well, again, within financial statements there are --
21 you know, the summary financial statements that I received,
22 but there's also -- there might be details behind those
23 financial statements. So, for example, with respect to
24 liability, there would be -- you know, there could be trace
25 payables, and I haven't reviewed that list of trace payables

1 that may -- may or may not consist of other liability.

2 MR. MARTICELLO: And, Ms. Pino, the Feuer
3 (phonetic) Bank is listed in the memo as a creditor of
4 Mowbray Waterman. Mr. Catanzarite's client has litigation
5 against Mowbray Waterman that it's defending. So there are
6 two creditors there.

7 BY MS. PINO:

8 Q And have you requested the details for the liabilities
9 of Mowbray Waterman Properties, LLC?

10 A No.

11 Q Are you aware if Phoenix Traffic has creditors other
12 than the Debtor?

13 A Same response as given with respect to Mowbray Waterman
14 Properties. I haven't looked at the detail.

15 Q With regard to Phoenix Traffic, have you asked for the
16 detail?

17 A No.

18 MS. PINO: That's it. Thank you.

19 TRUSTEE MISKEN: Okay. Thank you, Ms. Pino.

20 Okay. Anybody else have any questions?

21 MR. BODIE: This is -- yeah, this is Brett Bodie.
22 This isn't a direct question for the Debtor's
23 representative, it's more for Mr. Marticello just for
24 service reasons.

25 Do you know if Phoenix and Pino have counsel? You

1 said Mr. Zur for Mowbray Waterman, but I was wondering if
2 they have counsel, and, if so, if you know who they are, so
3 we know who have to contact.

4 MR. MARTICELLO: So for Waterman it's Roye Zur. I
5 believe he's being retained for Phoenix Traffic Management
6 as well. Pino Tree Service I'm not aware of any counsel. I
7 mean, to the extent you requested information for Pino, I am
8 handling that request.

9 MR. BODIE: Okay.

10 MR. MARTICELLO: To the extent there's been
11 requested information from Phoenix and Waterman, I am
12 discussing those requests with its counsel.

13 MR. BODIE: Okay. Thanks. Understood.

14 TRUSTEE MISKEN: Okay. Any further --

15 MR. BODIE: That's all I have.

16 TRUSTEE MISKEN: -- any further questions? Okay.
17 Not hearing any, I do want to thank everybody for your time.
18 I am going to go ahead and conclude the 341 meeting. You
19 know, good luck to the reorganization and good luck to the
20 parties-in-interest on the phone as well. Thank you, all,
21 and have a great day.

22 ALL PARTIES: Thank you.

23 (Proceedings concluded.)

24

25

1 I certify that the foregoing is a correct
2 transcript from the electronic sound recording of the
3 proceedings in the above-entitled matter.

4
5 /s/ Holly Steinhauer 1-23-25
6 Transcriber Date

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25